

Lodestar Energy, Inc. Mountain Operations White Oak, Horizon, and Grand Valley Mines HC35 Box 370 Helper, Utah 84526

January 11, 2001

Ms. Pamela Grubaugh-Littig Utah Coal Program Div. of Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801

Dear Ms. Grubaugh-Littig:

Lodestar Energy, Inc. is submitting a revised Plate 3-3 with an adjusted potential subsidence line that is contained entirely within the permit boundary and a letter and canceled check to be included in Appendix 3-5 to confirm the extension of the Sweet water right lease.

Attached are the C1 & C2 forms for this submittal. If there are any questions, please feel free to contact me at (435) 448-9455.

Sincerely,

David B. Miller Business Manager

File: Horizon/DOGM/Permit/DOGM011201a.doc

Form DOGM - C1 (Last Revised January 11, 2001)						
APPLICATION FOR PERMIT PROCESSING						
Permit Cha	inge X	New Permit □ Renewal □ Transfer □ Exploration □ Bond Release □	Permit Number: C/007/020			
Title of Proposal: Permit Boundary Extension to Include Part of Federal Coal Lease Mine: HORIZON No.1 Mine						
	UI	Permittee:Lodestar Energy, Inc.				
Description in		for application and timing required to implement: Approval needed by January 15, 2001 (Critic	eal)			
Dosoription, in						
Instruct	ions: If yo	u answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Other	wise, you may submit it to your reclamation specialist.			
X Yes	□ No	1. Change in the size of the Permit Area? 393 acres Disturbed Area?	acres X increase decrease.			
□ Yes	X No	2. Is the application submitted as a result of a Division Order? DO #				
□ Yes	X No	3. Does application include operations outside a previously identified Cumulative	Hydrologic Impact Area?			
X Yes	□ No	4. Does application include operations in hydrologic basins other than as currently	y approved?			
□ Yes	X No	5. Does application result from cancellation, reduction or increase of insurance of	r reclamation bond?			
X Yes	□ No	6. Does the application require or include public notice/publication?				
X Yes	□ No	7. Does the application require or include ownership, control, right-of-entry, or	compliance information?			
X Yes	□ No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet or	f an occupied dwelling?			
□ Yes	X No	9. Is the application submitted as a result of a Violation? NOV #				
□ Yes	X No	10. Is the application submitted as a result of other laws or regulations or policies	? Explain:			
□ Yes	X No	11. Does the application affect the surface landowner or change the post mining la	and use?			
X Yes	□ No	12. Does the application require or include underground design or mine sequence	and timing? (Modification of R2P2?)			
X Yes	□ No	13. Does the application require or include collection and reporting of any baseling	e information?			
□ Yes	X No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?				
□ Yes	X No	15. Does application require or include soil removal, storage or placement?				
□ Yes	X No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?				
□ Yes	X No	17. Does the application require or include construction, modification, or remova	1 of surface facilities?			
□ Yes	X No	18. Does the application require or include water monitoring, sediment or drainage	ge control measures?			
X Yes	□ No	19. Does the application require or include certified designs, maps, or calculation	is?			
X Yes	□ No	20. Does the application require or include subsidence control or monitoring?				
X Yes	□ No	21. Have reclamation costs for bonding been provided for?				
X Yes	□ No	22. Does application involve a perennial stream, a stream buffer zone or discharge				
□ Yes	X No	23. Does the application affect permits issued by other agencies or permits issued	to other entities?			
		plete copies of the application.				
true and co	rrect to the	t I am a responsible official of the applicant and that the information contained in this application is best of my information and belief in all respects with the laws of Utah in reference to commitments,	Received by Oil, Gas & Mining			
undertaking	gs, and oblig	gations, herein.	1411 1 7 7001			
Signed - Name - Position - Date Notary Public NOTARY PAPPAS -						
Subscribed and sworn to before me this Lay of ANDARLY . 20 01 . 1646 East Castle Circle Price, Utah 84501 My Commission Expires OIL, GAS AND MINING						
My Commission Explies March 7, 2002 My Commission State of Utah ASSIGNED TRACKING NUMBER ASSIGNED TRACKING NUMBER						

My Commission Expires:
Attest: STATE OF
COUNTY OF
COUNTY OF

Application for Permit Processing Detailed Schedule of Changes to the MRP

Title of Application: Permit Boundary Extension to Include Part of Federal Coal Lease

UTU-74804

Permit Number: C/007/020

Mine: HORIZON No.1 MINE

Permittee: Lodestar Energy, Inc.

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. Include page, section and drawing numbers as part of the description.

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
□ ADD	X REPLACE	□ REMOVE	Plate 3-3 Mine Plan and Subsidence Monitoring Points- Modify Potential Subsidence line
X add	□ REPLACE	□ REMOVE	Letter confirming extension of the water lease and the canceled check
□ ADD	□ REPLACE	□ REMOVE	
□ ADD	□ REPLACE	□ REMOVE	
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□ ADD	□ REPLACE	□ REMOVE	

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?